STATE OF CALIFORNIA

EDMUND G BROWN JR., *Governor*

PUBLIC UTILITIES COMMISSION
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VIA EMAIL
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Federal Communications Commission
Office of the Secretary

Stephen Klitzman
Deputy Chief
Office of Intergovernmental Affairs
Consumer & Governmental Affairs Bureau
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Re: FCC Inquiry Regarding California Cramming Data

Dear Mr. Klitzman:

On October 25, 2010, you submitted an inquiry to the California Public Utilities Commission (CPUC) requesting data on cramming complaints (broken down by type of service) received by the CPUC for 2009 and 2010. The CPUC's Consumer Affairs Branch compiled the following data which is responsive to your request.

In 2009, the CPUC's Consumer Affairs Branch received **2,420** cramming complaints directly from consumers.

(a) **2,298** wireline (landline)
(b) **116** wireless (cell phone)
(c) **6** Voice over Internet Protocol (VoIP) telephone service.

In 2009, wireline carriers and billing aggregators reported to the CPUC **132,398** cramming complaints that they received directly from customers.

In 2010, the CPUC's Consumer Affairs Branch received **2,782** cramming complaints directly from consumers.

(a) **2,630** wireline (landline)
(b) **126** wireless (cell phone)
(c) **26** Voice over Internet Protocol (VoIP) telephone service.

In 2010, wireline carriers and billing aggregators reported to the CPUC **120,554** cramming complaints that they received directly from customers.

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Additionally, on October 28, 2010 you had a further inquiry as to the reason for the discrepancy between the number of cramming complaints the CPUC received directly from consumers and the number of cramming complaints reported to the CPUC by wireline carriers and billing aggregators. There are several reasons that may explain the discrepancies:

1. Liberal Refund Policy of Carriers. Some carriers have a liberal policy of refunding or cancelling telephone charges after they receive just one phone call challenging the charges. See *Final Decision Adopting California Telephone Corporation Billing Rules*, Decision (D.) 10-10-034, adopted October 28, 2010, released November 2, 2010, at 40, California Public Utilities Commission ("CPUC 2010 Cramming Decision"). Thus, a consumer may not see the need to complain to the CPUC if the consumer has been issued a refund. For wireless carriers, the CPUC determined in the *CPUC 2010 Cramming Decision* that refunds were an appropriate proxy for complaints. See *Ibid*, at 36.

2. CPUC Requirement. The CPUC directs consumers to complain first to the carriers before filing a complaint with the CPUC.

3. Consumer Awareness. Consumers may be more familiar with the carriers than with the CPUC, and so they normally complain more to the former than to the latter.

Finally, please note that the CPUC has only recently required wireless carriers to submit reports of cramming refunds they received directly from their customers. See *CPUC 2010 Cramming Decision*, *supra*. Therefore, the CPUC does not possess cramming complaint data from the wireless carriers and their billing aggregators prior to 2011.

Please let me know if you have further questions.

Sincerely,

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